

# CITY OF MEMPHIS

## Neighborhood Stabilization Program

### Mortgage Loan Program

The City of Memphis has created the NSP Mortgage Loan Program to assist with the sales of properties acquired and rehabilitated through its Neighborhood Stabilization Program (NSP).

**Properties may only be purchased by individuals or families that have incomes of 120%\*\* or below the Area Median Income (AMI\*) for Shelby County.** All properties purchased must be owner-occupied and will have an affordability^ requirement. **Investors may not purchase any City of Memphis NSP properties.**

#### NSP Program Requirements:

- Must contact Housing Finance Analyst at 901.576.7474 to determine eligibility.
- Must meet income requirements (see table) .
- Must complete minimum of 8 hours of housing counseling.
- Must qualify for fixed rate loan amortized over 30 years (No Balloon or ARM financing).
- Must meet all eligibility requirements before property can be selected.
- Must have licensed real estate agent to view property and complete sales contract.
- Must select NSP property from city's website on NSP page [www.hcd.memphistn.gov](http://www.hcd.memphistn.gov)
- Interest Rate will be Prime + 1%

#### Area Median Income for Shelby County

| Household Size | 50% AMI  | 80% AMI* | 120% AMI** |
|----------------|----------|----------|------------|
| 1              | \$20,250 | \$32,400 | \$48,550   |
| 2              | \$23,100 | \$37,000 | \$55,550   |
| 3              | \$26,000 | \$41,650 | \$62,400   |
| 4              | \$28,900 | \$46,250 | \$69,350   |
| 5              | \$31,200 | \$49,950 | \$74,900   |
| 6              | \$33,500 | \$53,650 | \$80,450   |
| 7              | \$35,850 | \$57,350 | \$86,000   |
| 8              | \$38,150 | \$61,050 | \$91,550   |

#### Mortgage Loan Program financing for Income up to 80%\* of AMI

- Sales Price is equal to the total cost of acquisition plus rehabilitation costs.
- Loan Amount is equal to **75%** of the Sales Price.
- Mortgage buy down is provided in an amount equal to **25%** of the sales price.
- Homebuyer is required to invest 1% of the sales price towards the transaction.
- Closing costs and mortgage buy down will be secured by a soft second mortgage, with no payment required. Soft second mortgage will be forgivable over the period of affordability term^.

#### Mortgage Loan Program financing for Income 81% to 120%\*\* of AMI

- Sales Price is equal to the total cost of acquisition plus rehabilitation costs.
- Loan Amount is equal to **85%** of the Sales Price.
- Mortgage buy down is provided in an amount equal to **15%** of the sales price.
- Homebuyer is required to invest 1% of the sales price towards the transaction.
- Closing costs and mortgage buy down will be secured by a soft second mortgage, with no payment required. Soft second mortgage will be forgivable over the period of affordability term^.

For questions about eligibility, affordability^ and program requirements, please contact:

**City of Memphis / HCD**  
**DPA Department**  
**701 N Main Street | Memphis, TN 38107**  
**Phone: 901.576.7474**



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